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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 OAKLAND DIVISION

17 DIGITAL REG OF TEXAS, LLC,) Case No. 12-CV-01971 CW (KAW)
18 Plaintiff,)
19 v.) **JOINT PRETRIAL CONFERENCE
20 ADOBE SYSTEMS INCORPORATED, et al.,) STATEMENT**
21 Defendants.)
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Judge: Hon. Claudia Wilken
Ctrm: 2, 4th Floor

1 Pursuant to the Court's Order for Pretrial Preparation, plaintiff Digital Reg of Texas LLC
2 ("Digital Reg") and defendant Adobe Systems Inc. ("Adobe") respectfully submit the following
3 Pretrial Conference Statement.

4 **I. THE ACTION**

5 **A. Substance of the Action. A brief description of the substance of claims and**
6 **defenses which remain to be decided.**

7 1. This is an action by Digital Reg against Adobe for patent infringement. Digital Reg
8 claims that Adobe has literally infringed, both directly and/or indirectly, U.S. Patent No. 6,389,541
9 (the "'541 Patent") and U.S. Patent No. 6,751,670 (the "'670 Patent and collectively with the '541
10 Patent referred to as the "Patents-in-Suit"), in violation of 35 U.S.C. § 271(a), (b), and (c).

11 2. Digital Reg alleges that (1) Flash Media Rights Management Server, Adobe Flash
12 Access, Flash Catalyst, and Flash Professional (collectively, "Adobe Flash Platform");
13 (2) LiveCycle Policy Server, LiveCycle Rights Management, LC Reader Extensions, and Adobe
14 Acrobat Professional (collectively, "Adobe LiveCycle"); and (3) Adobe License Manager
15 ("ALM"), Application Management Technology ("AMT"), Licensing Website, and Creative Suite
16 (collectively, "Adobe Activation/ALM/AMT") infringe claims 1, 2, 4, and 13 of the '541 Patent.
17 Digital Reg further alleges that Adobe Activation/ALM/AMT infringe claim 45 of the '670 Patent
18 and that Adobe LiveCycle infringes claim 52 of the '670 Patent. All of these claims are
19 collectively referred to as the "Asserted Claims."

20 3. Digital Reg alleges that the Adobe has and continues to actively induce others to
21 infringe one or more claims of Digital Reg's '541 Patent and/or '670 Patent by directing or
22 controlling acts of direct infringement when Adobe knew the induced acts constituted patent
23 infringement.

24 4. Digital Reg alleges that Adobe has contributed, and continues to contribute, to the
25 infringement of one or more claims of Digital Reg's '541 Patent and/or '670 Patent by unlawfully
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1 selling, offering to sell, and/or importing into the United States products for use in practicing the
 2 patented methods of the Asserted Claims knowing that these products are especially made or
 3 adapted for use in infringement of such Asserted Claims and wherein these products are not a
 4 staple article or commodity of commerce suitable for substantial non-infringing uses.

5 5. Digital Reg alleges that Adobe's infringement of Digital Reg's '541 Patent and
 6 '670 Patent has been, and continues to be, willful and with full knowledge of the '541 Patent and
 7 '670 Patents since at least January 1, 2005.

8 6. Adobe denies that it has literally infringed, either directly and/or indirectly, any
 9 asserted claim of the '541 Patent or '670 Patent through its acts in conjunction with any product
 10 identified by Digital Reg.^{1,2} Adobe seeks judgment that Adobe has not willfully or otherwise
 11 infringed, directly or indirectly, of any claim of the Patents-in-Suit

12 7. Adobe seeks judgment that the Asserted Claims of the Patents-in-Suit are invalid.

13 8. Adobe seeks judgment that claim 32 of the '670 Patent is invalid.

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 17 1Adobe's Statement: As detailed in Adobe's MIL 6, Digital Reg has not disclosed any viable
 18 theory of joint infringement, induced infringement or contributory infringement. Digital Reg
 19 should not be permitted to pursue undisclosed and nonviable theories at trial. Accordingly, Adobe
 20 objects to any and all statements as to factual or legal disputes regarding joint infringement,
 induced infringement or contributory infringement in this pretrial conference statement as
improper subject to the Court's adjudication of Adobe's MIL 6.

21 2Digital Reg's Statement: Digital Reg has adduced and will present evidence at trial of every
 22 element of Adobe's inducement of infringement and contribution to infringement. Digital Reg has
 23 also presented evidence that, to the extend Adobe contends it is not responsible for those acts, it
 24 directs and/or controls them.

25 3Adobe's Statement: As detailed in Adobe's MIL 3, Digital Reg's identification of accused
 26 products is improper insofar as it purports to accuse Adobe's current Application Management
 27 Technology ("AMT") technologies of infringement. As this Court has already ruled, Digital Reg's
 28 contentions are limited to the Adobe License Manager ("ALM"). Accordingly, Adobe objects to
any and all statements as to factual or legal disputes regarding the AMT product in this pretrial
conference statement as improper subject to the Court's adjudication of Adobe's MIL 3.

29 4Digital Reg's Statement: Contrary to Adobe's contentions, Adobe has itself identified AMT as an
 30 Accused Product that incorporates ALM. Adobe has attempted to avoid its discovery
 31 responsibilities and ultimate liability by referring to AMT instead of ALM, which it incorporates.
 32 Its efforts to avoid reference to AMT are a belated effort to avoid summary judgment.

1 9. Adobe seeks judgment that the asserted claims of U.S. Patent No. 7,421,741 (“the
 2 ’741 Patent”) are invalid.³

3 10. Adobe seeks judgment that use of the products identified by Digital Reg is licensed.

4 11. Adobe seeks judgment that Digital Reg’s claims are barred by the doctrine of
 5 laches.

6 12. Even in the event that Adobe were found to infringe any valid claim, Adobe denies
 7 any allegation of willfulness, including because Digital Reg has not come forward with adequate
 8 evidence of willfulness under the subjective or objective prongs of the *Seagate* standard.⁴

9
 10 13. Adobe requests that this Court declare this case exceptional pursuant to 35 U.S.C. §
 11 285 and that Digital Reg be required to pay Adobe’s costs and reasonable attorney’s fees.

12 B. **Relief Prayed. A detailed statement of all the relief claimed, particularly
 13 itemizing all elements of damages claimed.**

14 14. Digital Reg seeks a determination that Adobe has infringed and is infringing the
 15 Asserted Claims of Digital Reg’s ’541 Patent and ’670 Patent.

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³Digital Reg’s Statement: Digital Reg has offered Adobe a covenant not to sue and provided draft
 17 the language of a covenant not to sue regarding the ’741 Patent that moots any case or controversy
 18 regarding the ’741 Patent, including Adobe’s contention that any claim of the ’741 Patent is
 19 invalid, pursuant to *Already, LLC v. Nike, Inc.*, 133 S.Ct. 721 (2013); *Super Sack Manuf. Corp. v.
 20 Chase Packaging Corp.*, 57 F.3d 1054 (Fed. Cir. 1995). Digital Reg is considering changes
 21 proposed by Adobe on the date of this filing and intends to immediately execute the covenant, with
 22 or without Adobe’s changes. Accordingly, Digital Reg objects to any and all statements as to
 23 factual or legal disputes regarding the validity of the ’741 Patent.

24 Adobe’s Statement: As of the filing of this document, Adobe has not received a covenant not to
 25 sue from Digital Reg, nor has Adobe evaluated any such covenant to determine whether it would
 26 in fact moot Digital Reg’s counterclaims under the precedent cited. Accordingly, Adobe’s
 27 counterclaims with respect to the ’741 patent remain ripe for trial.

28 ⁴Adobe’s Statement: As detailed in Adobe’s MIL 5, Digital Reg has not provided any contentions,
 29 let alone evidence, of willfulness sufficient to state even a viable claim of willful infringement
 30 such that the issue should go before the jury. Accordingly, Adobe objects to any and all statements
 31 as to factual or legal disputes regarding willfulness in this pretrial conference statement as
 32 improper subject to the Court’s adjudication of Adobe’s MIL 5.

33 Digital Reg’s Statement: Contrary to Adobe’s contention, the evidence will show that Digital Reg
 34 specifically identified the Patents-in-Suit in multiple meetings with Adobe over the past ten years.
 35 The Patents-in-Suit were cited by the United States Patent and Trademark Office in rejecting
 36 Adobe’s own patent applications. Adobe has presented no attorney opinion upon which it relied
 37 regarding validity or noninfringement. Adobe willfully infringed the Patents-in-Suit.

1 15. Digital Reg seeks damages for Adobe's past infringement in an amount not less
 2 than a reasonable royalty. A detailed statement of the damages, as well as documents and other
 3 evidence supporting Digital Reg's damages claim, is set forth in the Expert Report of Russell Parr.
 4 Upon receiving further updated financial information regarding sales of the accused products from
 5 Adobe, Digital Reg intends to supplement Mr. Parr's opinions to include the most current
 6 financials in Digital Reg's possession.
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8 16. Digital Reg seeks a determination that Adobe's infringement has been willful and
 9 deliberate, and an award of up to treble damages to Digital Reg.
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11 17. Digital Reg seeks pre-judgment interest, post-judgment interest, and costs.
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13 18. Digital Reg requests that the Court declare this case exceptional pursuant to 35
 14 U.S.C. § 285 and order that Adobe pay Digital Reg's costs and reasonable attorneys' fees.
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16 19. Digital Reg seeks any other further relief the Court deems appropriate.
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18 20. Adobe seeks judgment that there has been no use of the products identified by
 19 Digital Reg in this matter to infringe, either directly and/or indirectly, any claim asserted in Digital
 20 Reg's First Amended Complaint.⁵ Adobe seeks judgment that Adobe has not willfully or
 21 otherwise infringed, directly or indirectly, any claim of any Patents-in-Suit.
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23 ⁵Adobe's Statement: Since the filing of the First Amended Complaint, Digital Reg has dropped
 24 infringement allegations for patents, patent claims and/or products. The dropping of
 25 claims/allegations was voluntary and constitutes abandonment of those claims by Digital Reg. In
 26 the cases where Digital Reg narrowed its assertions based on an Order of the Court, Digital Reg
 27 purported to do so without "waiv[ing] its right to assert any other claims in the Patents-in-Suit—in
 28 this or other litigation—that present distinct issues regarding infringement, validity or damages.
 See *In re Katz Call Processing Patent Litigation*, 639 F.3d 1303, 1313 (Fed. Cir. 2011)." Because
 Digital Reg has failed to make any assertion, let alone showing, that there is good cause that any
 previously asserted claim/allegation should be included in this trial or presents distinct issues from
 the remaining Asserted Claims such that they should be deemed preserved, Digital Reg has
 abandoned any and all such allegations and judgment should be entered.

Digital Reg's Statement: Adobe has not and cannot provide support for its position based on the
 circumstances here. To the extent that Adobe seeks judgment on any claim for which it would
 have the burden of proof, the Court should hold Adobe to its burden. Digital Reg continues to
 reserve its right to assert any other claims in the Patents-in-Suit—in other litigation—that present
 distinct issues regarding infringement, validity, or damages. See *Katz*, 639 F.3d at 1313.

- 1 21. Adobe seeks judgment that the Asserted Claims of the Patents-in-Suit are invalid.
- 2 22. Adobe seeks judgment that claim 32 of the '670 Patent is invalid.
- 3 23. Adobe seeks judgment that the asserted claims of the '741 Patent are invalid.
- 4 24. Adobe seeks judgment that use of the products accused by Digital Reg is licensed.
- 5 25. Adobe seeks judgment that Digital Reg's claims are barred by the doctrine of
6 laches.
- 7 26. Adobe requests that this Court declare this case exceptional pursuant to 35 U.S.C. §
8 285 and that Digital Reg be required to pay Adobe's costs and reasonable attorney's fees.
- 9 27. Adobe seeks all other further relief that the Court deems appropriate.

11 **II. THE FACTUAL BASIS OF THE ACTION**

12 **A. Undisputed Facts. A plain and concise statement of all relevant facts not 13 reasonably disputed.**

14 **(a) Joint Statement of All Relevant Facts Not Reasonably Disputable**

- 15 28. This Court has subject matter jurisdiction over this action.
- 16 29. Venue is proper in this District.
- 17 30. Adobe is a Delaware corporation with its principal place of business located in San
18 Jose, California 95110.

19 31. Digital Reg is a limited liability corporation organized and existing under the laws
20 of the State of Texas and headquartered at 104 East Houston Street, Suite 165, Marshall, Texas
21 75670.

22 32. On May 14, 2002, the United States Patent and Trademark Office ("USPTO")
23 issued U.S. Patent No. 6,389,541, entitled Regulating Access to Digital Content.

25 33. The '541 Patent names Patrick E. Patterson as inventor.

26 34. On June 15, 2004, the USPTO issued U.S. Patent No. 6,751,670, entitled Tracking
27 Electronic Content.

1 35. The '670 Patent names Patrick E. Patterson as inventor.

2 36. Digital Reg filed its original complaint against Adobe on June 14, 2011, alleging
3 that Adobe infringes the '541 Patent and the '670 Patent.

4 **(b) Digital Reg's Statement of Proposed Additional Facts that Digital Reg Contends Are
5 Not Reasonably Disputable**

6 37. The following tables describe the interests in and chains of title for each of the
7 Patents-in-Suit:

8 **'541 Patent**

Assignor	Assignee	Conveyance	Date
Patrick Patterson	Deskgate Technologies, Inc.	assignment of assignor's interest	06/29/1998
Deskgate Technologies, Inc.	Sirrom Investments, Inc.	security interest	03/29/1999
Sirrom Investments, Inc.	First Union National Bank	assignment of assignor's interest	02/21/2001
First Union National Bank	Wachovia Bank, National Association	merger and change of name	04/01/2002
Wachovia Bank, National Association	DRM Technologies, L.L.C.	assignment of assignor's interest	06/28/2002
DRM Technologies, L.L.C.	Wachovia Bank, National Association	security interest	06/28/2002
DRM Technologies, L.L.C.	Commerce Bank of Arizona	security interest	12/20/2004
Commerce Bank of Arizona	Nottingham Mayport, LLC	security interest	03/10/2006
DRM Technologies, L.L.C.	Digital Reg of Texas, LLC	assignment of assignor's interest	09/26/2007

20 **'670 Patent**

Assignor	Assignee	Conveyance	Date
Patrick Patterson	Deskgate Technologies, Inc.	assignment of assignor's interest	02/09/1998
Deskgate Technologies, Inc.	Sirrom Investments, Inc.	security interest	03/29/1999
Sirrom Investments, Inc.	First Union National Bank	assignment of assignor's interest	02/21/2001
First Union National Bank	Wachovia Bank, National Association	merger and change of name	04/01/2002
Wachovia Bank, National Association	DRM Technologies, L.L.C.	assignment of assignor's interest	06/28/2002

1	DRM Technologies, L.L.C.	Wachovia Bank, National Association	security interest	06/28/2002
2	DRM Technologies, L.L.C.	Commerce Bank of Arizona	security interest	12/20/2004
3	Commerce Bank of Arizona	Nottingham Mayport, LLC	security interest	03/10/2006
4	Nottingham Mayport, LLC	DRM Technologies, L.L.C.	release by secured party	03/13/2009
5	DRM Technologies, L.L.C.	Digital Reg of Texas, LLC	assignment of assignor's interest	03/18/2011

9 38. Digital Reg is the assignee and owner of rights, title, and interest in and to the '541
 10 Patent and the '670 Patent.

11 (c) **Adobe's Statement of Proposed Additional Facts that Adobe Contends Are Not
 12 Reasonably Disputable**

13 39. Digital Reg's original Complaint in this action filed June 14, 2011 alleged that
 14 Adobe infringes the '541 Patent and the '670 Patent, as well as the '741 Patent and U.S. Patent No.
 15 7,673,059 ("the '059 Patent").

16 40. Digital Reg's December 29, 2011 Amended Complaint in this action alleged that
 17 Adobe infringes the '541 Patent and the '670 Patent, as well as the '741 Patent and the '059 Patent.

18 41. Digital Reg's October 28, 2011 Infringement Contentions purported to accuse
 19 Adobe of infringing the '541 Patent, '670 Patent, '741 Patent, '059 Patent and also U.S. Patent No.
 20 7,127,515 ("the '515 Patent").

21 42. Digital Reg's October 28, 2011 Infringement Contentions purported to accuse
 22 Adobe of infringing 10 claims of the '541 Patent, 18 claims of the '670 Patent, 1 claim of the '515
 23 Patent, 11 claims of the '741 Patent and 4 claims of the '059 Patent.

1 43. Adobe itself does not practice every limitation of any claim of the patents
 2 referenced in the Amended Complaint.⁶

3 **B. Disputed Factual Issues. A plain and concise statement of all disputed factual**
 4 **issues which remain to be decided.**

5 44. Whether Digital Reg can meet its burden to prove that Adobe has directly infringed
 6 any of the Asserted Claims of the '541 and '670 Patents.

7 45. Whether the damages period applicable to the '541 Patent and the '670 Patent in
 8 this case runs from June 14, 2005 to present.

9 46. Whether Adobe can meet its burden to prove that the Asserted Claims of the '541
 10 and '670 Patents are invalid.

11 47. If one or more of the Asserted Claims are found infringed by Adobe and not
 12 invalid, the dollar amount of damages up to the time of judgment adequate to compensate Digital
 13 Reg for Adobe's past infringement, but in no event less than a reasonable royalty.

14 48. If one or more of the Asserted Claims are found to be infringed by Adobe and not
 15 invalid, the amount of prejudgment interest, post-judgment interest, and costs to which Digital Reg
 16 may be entitled.

17 49. Whether this is an "exceptional" case pursuant to 35 U.S.C. § 285, entitling Digital
 18 Reg or Adobe to reasonable attorneys' fees.

19 50. The level of ordinary skill in the art to which the subject matter of the Asserted
 20 Claims pertains.

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 26 ⁶ Digital Reg's Statement: Digital Reg has not joined in Adobe's statement of proposed additional
 27 facts because (1) paragraphs 39-42 contain facts that are either irrelevant or any probative value is
 28 substantially outweighed by the danger of unfair prejudice, jury confusion, or waste of time; and
 29 (2) paragraph 43 is a disputed issue in this action.

(a) Digital Reg's Identification of Additional Disputed Facts (Not Joined by Adobe)

51. Whether Digital Reg can meet its burden to prove that Adobe intentionally induced infringement of the Asserted Claims.

52. Whether Digital Reg can meet its burden to prove that Adobe contributorily infringed the Asserted Claims.

53. What the appropriate royalty base would be for Adobe's accused products.

54. What the appropriate reasonable royalty rate would be for Adobe's alleged infringement.

55. Which license agreements are comparable and/or relevant for determining a reasonable royalty rate.

56. Whether any infringement of the Patent in Suit by Adobe was willful, and if so, the amount of any enhanced damages that should be awarded.

57. Whether Adobe can meet its burden to prove that the Asserted Claims of the '541 and '670 Patents are unenforceable.

58. Whether Adobe can meet its burden to prove that the affirmative defense of patent exhaustion and/or license.

(b) Adobe's Identification of Additional Disputed Facts (Not Joined by Digital Reg)

59. Whether Adobe can meet its burden to prove that the asserted claims of the '741 patent are invalid.

60. Whether Adobe can meet its burden to prove claim 32 of the '670 Patent is invalid.

61. Whether Digital Reg has proven that its claims against Adobe are not fully barred and/or exhausted by a license entered into between Digital Reg and Microsoft, and if not, the extent to which its claims are not barred or licensed.

C. Agreed Statement. A statement assessing whether all or part of the action may be presented upon agreed statement of facts.

62. The parties do not believe that this action or any part thereof may be presented to the jury upon an agreed statement of facts.

63. The parties agree that all facts set forth in Section II(A)(a) above may be presented in an agreed statement of facts.

D. Stipulations. A statement of stipulations requested or proposed for pretrial or trial purposes.

The parties stipulate to the following for pretrial and trial purposes:

64. Any facts stipulated as undisputed by the parties shall become part of the trial record without the necessity of supporting testimony or exhibits.

65. All objections and attorney comments will be edited out from deposition testimony and discovery responses before the deposition testimony or discovery response is read, played, offered, or otherwise presented to the jury at trial.

66. The parties shall exchange demonstrative exhibits to be used in opening statement and closing argument the morning of the day in which opening statements and closing arguments will be presented to the jury.

67. During trial, the parties will have a standing meet and confer at 8 pm PT to discuss and attempt to resolve any outstanding issues for trial the following day

68. The parties shall exchange a list of (non-adverse) witnesses that will be called live, and the order in which they will be called, by August 18, 2014. Changes to this list shall be permitted provided notice that affects witnesses to be presented or the order in which they will be called is provided. Specifically, by 7 pm PT [Digital Reg's Proposal: the day prior] [Adobe's Proposal: two calendar days prior] to any day on which testimony will be presented, the party shall

1 provide notice by email of the witnesses that are expected to be called (adverse or non-adverse,
 2 whether live or by deposition) and the order in which they will be called.

3 69. The parties agree that they shall have no obligation to exchange any demonstrative
 4 that consists only of an enlargement or blow-up in full or in part of any item or exhibit on the
 5 parties' exhibit lists.

6 70. The parties shall exchange a list of deposition designations a party intends to
 7 present to the jury (for purposes other than impeachment) [Digital Reg's Proposal: the day before]
 8 [Adobe's Proposal: two days before] the testimony will be presented, as follows: (a) the party
 9 affirmatively offering the testimony will identify the testimony by 4 pm PT; (b) the party offering
 10 counter designations (if any) will identify the testimony by 7 pm PT; and (c) the parties shall
 11 discuss and attempt to resolve or narrow any objections to the affirmative and counter deposition
 12 designations during the standing 8 pm PT meet and confer. Only those disputes that cannot be
 13 resolved shall be raised with the Court [Digital Reg's Proposal: the morning of the day] [Adobe's
 14 Proposal: the day before⁷] the deposition testimony is sought to be presented to the jury.

15 71. Digital Reg and Adobe stipulate to the authenticity of any document created and
 16 produced by either Digital Reg or Adobe in this case to the extent the document is identified in the
 17 parties' respective exhibit lists and not subject to a specific objection regarding authenticity. This
 18 stipulation shall not be deemed or interpreted to be a stipulation that any document is admissible in
 19 evidence or may be published to the jury.

20

 21 7 Adobe's Statement: Adobe proposes that any outstanding objections to deposition testimony to
 22 be offered be presented to the Court the day before the testimony is to be offered (not that same
 23 morning) to allow time for videotaped deposition excerpts to be edited in accordance with the
 24 Court's rulings on said objections.

25 25 Digital Reg's Statement: The parties are capable of editing videotaped deposition excerpts in
 26 accordance with the Court's rulings on the same day the Court makes its ruling. Requiring the
 27 party to identify deposition designations to be presented to the jury two days before a party wishes
 28 to present them does not allow the parties to account for the testimony that has been elicited at trial
 to date and runs a risk of a party over-designated and thereby wasting the jurors' and the Court's
 time.

1 72. The parties stipulate that copies of documents may be used at trial in lieu of
 2 originals and shall not be deemed inadmissible solely on the basis that they are copies.

3 73. The parties stipulate that by offering jury instructions they are not waiving the right
 4 to appeal any pretrial legal ruling by the Court.

5 74. Digital Reg agrees to Adobe's Motion *in Limine* Precluding Any Evidence Or
 6 Argument As To The Doctrine Of Equivalents.⁸ Digital Reg stipulates it will not offer any
 7 evidence or argument as to infringement under the doctrine of equivalents.

8 75. Adobe agrees to Digital Reg's Motion *in Limine* No. 9 (Opinions of Counsel
 9 regarding Non-Infringement or Invalidity). Adobe stipulates not to rely on an opinion letter
 10 regarding non-infringement or invalidity.

12 76. Adobe agrees to Digital Reg's Motion *in Limine* No. 11 (Any Reference or
 13 Suggestion that Damages Awards May Drive Up the Price of Products, Put Manufacturers Out of
 14 Business or Cause Jobs to be Lost). Adobe stipulates not to suggest that a damages award in this
 15 case would drive up product prices, put Adobe out of business, or cause jobs to be lost.

17 77. The parties mutually agree to Digital Reg's Motion *in Limine* No. 14 (Interpretation
 18 or Application of Claim Limitations Contrary to this Court's Claim Construction Order). Both
 19 parties stipulate not to offer any evidence or argument suggesting or referencing any interpretation
 20 or application of claim limitations that are contrary to the Court's Order Regarding Claim
 21 Construction And Motions For Summary Judgment (D.I. 574).⁹

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 25 ⁸ Adobe has deleted this particular Motion *in Limine* from its Omnibus Motions *in Limine* to be
 26 concurrently filed with the Court to avoid troubling the Court with an issue on which the parties
 reached a stipulation. Nevertheless, Digital Reg has confirmed that it is not relying on the doctrine
 of equivalents.

27 ⁹ This stipulation is without prejudice to either parties' objections to that Order or right to seek
 28 review of that Order on appeal.

1 78. Adobe agrees to Digital Reg's Motion *in Limine* No. 18 (Any Reference to Marking
 2 as an Affirmative Defense or Limitations on Damages). Based on Digital Reg's dropping of any
 3 infringement allegations against Adobe as to any system claims, Adobe stipulates not to reference
 4 the marking requirement of Section 287.¹⁰

5 79. The parties will continue to meet and confer regarding additional stipulations that
 6 may be requested or proposed to streamline the trial of this matter, including the admissibility of
 7 exhibits and potential agreements as to voir dire.

8 80. The parties make these stipulations for the limited purpose of simplifying the issues
 9 for trial. *See Fed. R. Civ. P. 16(c)(2)(A).*

10 **E. Disputed Trial Procedure Issues**

11 81. The parties dispute the procedure for exchange of demonstrative and trial exhibits
 12 to be used on direct examination.

13 Adobe's proposal: A party calling a witness will exchange demonstratives (other than
 14 blow-ups or enlargements of items on the parties' exhibit lists) and a list of exhibits to be
 15 used during direct examination for that witness by 4 pm PT the day before the witness is
 16 set to appear live for testimony. (For example, if a party plans to call witness A on
 17 Tuesday, the party will exchange the demonstratives for that witness by 4 pm PT on
 18 Monday.) The deadline for the opposing party to provide by email objections for
 19 objections to demonstratives and direct exhibits shall be 7 pm PT on the same day. The
 20 parties shall discuss and attempt to resolve or narrow any objections to trial exhibits and
 21 demonstratives to be used during direct examination during the standing 8 pm PT meet and
 22 confer. Only those disputes that cannot be resolved shall be raised with the Court that
 23 morning before the witness takes the stand.

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 27 ¹⁰ Digital Reg is willing to file an amended motion deleting its Motions *in Limine* Nos. 9, 11, 14,
 28 & 18 in light of Adobe stipulations should the Court so request.

1 Digital Reg's proposal: A party calling a witness need not exchange premade
 2 demonstratives and copies of the exhibits to be used during direct examination for that
 3 witness until immediately before the witness takes the stand. In advance of trial, the parties
 4 shall discuss and attempt to resolve or narrow any objections to trial exhibits and at trial
 5 raise only those disputes that have not been resolved by the parties.

6 **III. DISPUTED LEGAL ISSUES. Without extended legal argument, a concise statement**
 7 **of each disputed point of law concerning liability or relief.**

8 82. The parties have or will raise issues of law in their respective briefing on the
 9 motions set forth in section IV below and trial briefs. Although other issues of law may develop
 10 over the course of trial, no other legal issues need to be resolved at the pretrial conference.

11 83. Because the disputed issues of fact identified above may also be considered issues
 12 of law or mixed issues of fact and law, the parties incorporates those identified issues as well as
 13 the following:

14 84. Whether the claims in dispute of the '541, '670 and/or '741 Patents¹¹ are invalid
 15 because they would have been obvious to a person of ordinary skill in the art in light of prior art.

16 85. Whether any of Digital Reg's claims against Adobe based on products utilizing a
 17 Microsoft operating system are barred and/or exhausted by a license entered into between Digital
 18 and Microsoft.

19 86. Whether the infringement by Adobe was willful (objective prong).¹²

20 87. Whether Digital Reg should be awarded treble damages and attorneys' fees in view
 21 of the willful nature of Adobe's patent infringement.

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 25 ¹¹ As noted above, Digital Reg contends that no claims of the '741 Patent remain or will remain in
 26 dispute for trial, while Adobe contends that its counterclaims are ripe at least until it receives a
 27 covenant not to sue sufficient to render its counterclaims moot under applicable precedents.

28 ¹² As noted above, Adobe disputes that willful infringement is an open issue. In the event that
 29 Adobe's MIL is denied, Adobe agrees that willfulness is disputed.

88. If one or more of the Asserted Claims are found to be infringed by Adobe and not invalid, the amount of prejudgment interest, post-judgment interest, and costs to which Digital Reg may be entitled.

89. Whether this is an “exceptional” case pursuant to 35 U.S.C. § 285, entitling Digital Reg or Adobe to costs and reasonable attorneys’ fees.

IV. FURTHER DISCOVERY OR MOTIONS. A statement of all remaining discovery or motions.

90. The following motions are pending before the Court:

- Plaintiff's Motions *in Limine* Nos. 1-21;
- Defendant's Motions *in Limine* Nos. 1-9;
- Defendants' Motion For Leave To File A Motion For Partial Reconsideration Of

Order Regarding Claim Construction And Motions For Summary Judgment (DI 583).

91. Discovery.

Digital Reg's Statement. Digital Reg has requested that Adobe supplement its discovery responses and produce updated financial (through at least May 30, 2014) by July 25, 2014 (*i.e.*, one month before trial) so that Digital Reg has sufficient time to review the production and supplement its damages expert report based on the most current financials in Digital Reg's possession. Although Adobe has agreed to produce updated financials through May 30, 2014, it has represented that it will do so by August 4, 2014. Digital Reg reserves the right to raise any deficiencies in Adobe's supplemental production at the Pretrial Conference.

Adobe's Statement. Adobe has agreed to update its production of sales information by August 4, 2014. Digital Reg has suggested that it intends to supplement the expert report of its damages expert, Mr. Parr, based on that updated production. Adobe reserves all rights to raise any objections to Mr. Parr's supplemental report to the extent he purports to

1 offer any new expert opinions or to present any analysis other than a simple update of his
 2 royalty calculation based on an updated royalty base.

3 **V. TRIAL ALTERNATIVES AND OPTIONS.**

4 **A. Settlement Discussions. A statement summarizing the status of settlement
 negotiations and indicating whether further negotiations are likely to be
 productive.**

5
 6 92. Digital Reg and Adobe have engaged in direct settlement discussions and a court-
 7 ordered settlement conferences before Magistrate Judge Spero, including as recently as July 18,
 8 2014. No settlement was reached.

9
 10 93. Digital Reg remains willing to participate in further settlement discussions.

11
 12 94. Adobe remains willing to participate in further settlement discussions should
 circumstances evolve to make discussions more productive.

13 **B. Consent to Trial before a Magistrate Judge. A statement whether the parties
 consent to a court or jury trial before a magistrate judge, with appeal directly
 to the Ninth Circuit.**

14
 15 95. The parties have requested a jury trial on all issues triable to a jury.

16
 17 96. The parties do not believe that reference of all or part of the action to a magistrate
 judge is feasible.

18
 19 97. The parties do not consent to a bench trial on issues triable to a jury.

20
 21 98. Adobe seeks a bench trial with respect to its equitable defense of laches.

22 **C. Bifurcation, Separate Trial of Issues. A statement of whether bifurcation or a
 separate trial of specific issues is feasible and desired.**

23
 24 99. Digital Reg states that bifurcation or a separate trial of specific issues is neither
 feasible nor desirable in this case.

25
 26 100. Adobe maintains that it is entitled to a separate trial. Because the only other
 remaining defendant, Ubisoft, prevailed on summary judgment of noninfringement on all asserted

1 claims and has now sought dismissal of its counterclaims of invalidity, Adobe stands ready for a
 2 single-defendant trial with respect to Adobe. Adobe does not seek bifurcation.

3 **VI. Miscellaneous. Any other subjects relevant to the trial of the action, or material to its
 4 just, speedy and inexpensive determination.**

5 101. Digital Reg's objection legend is attached as Exhibit A. Adobe's objection legends
 6 are attached as Exhibit B.

7 102. Digital Reg's witness list is attached as Exhibit C1 and Adobe's objections thereto
 8 are attached as Exhibit C2. Adobe's witness list is attached as Exhibit D1 and Digital Reg's
 9 objections thereto are attached as Exhibit D2.

10 103. Digital Reg's exhibit list and Adobe' objections thereto are attached as Exhibit E.
 11 Adobe's exhibit list and Digital Reg's objections thereto are attached as Exhibit F.

12 104. Digital Reg's deposition designations and Adobe' objections thereto are attached as
 13 Exhibit G. Adobe's deposition designations and Digital Reg's objections thereto are attached as
 14 Exhibit H.

16 105. Digital Reg's discovery designations and Adobe' objections thereto are attached as
 17 Exhibit I. Adobe's discovery designations and Digital Reg's objections thereto are attached as
 18 Exhibit J.

19 106. The parties' agreed and disputed jury instructions are attached as Exhibit K.

20 107. Digital Reg's proposed verdict form is attached as Exhibit L. Adobe's proposed
 21 verdict form is attached as Exhibit M.¹³

25 ¹³ For the convenience of the Court, Adobe's proposed verdict form includes issues that Adobe
 26 believes are not properly part of the case and should not go to the jury. Adobe's submission of
 27 verdict form questions on issues is subject to and without waiving its positions as to the proper
 scope of issues for the trial and its positions on other legal and factual issues as set forth herein, in
 proposed jury instructions, Adobe's motions in limine, in Adobe's trial brief on disputed legal
 issues, and/or in prior claim construction or summary judgment papers.

108. Digital Reg's proposed voir dire is attached as Exhibit N. Adobe's proposed voir
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dire is attached as Exhibit O.¹⁴
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26 ¹⁴ The parties are continuing to meet and confer as to supplemental voir dire questions and expect
27 to submit updated voir dire submissions no later than Friday, August 1, which submissions will
28 include areas of agreement and the parties' respective objections to the extent there are areas of
dispute.

1 DATED: July 30, 2014

BARTKO, ZANKEL, BUNZEL & MILLER

2
3 By: /s/ W. Paul Schuck
W. Paul Schuck

4 DINOVO PRICE ELLWANGER & HARDY LLP

5
6 By: /s/ Andrew G. DiNovo
Andrew G. DiNovo

7 Attorneys for Plaintiff
8 DIGITAL REG OF TEXAS, LLC

9 WEIL, GOTSHAL & MANGES LLP

10
11 By: /s/ Edward R. Reines
Edward R. Reines

12 Attorneys for Defendant
13 ADOBE SYSTEMS, INC.

14
15 **ATTESTATION OF E-FILER**

16 Pursuant to Local Rule 5-1(i), the undersigned ECF user whose login and password are
17 being used in filing this document, hereby attests that each signatory has concurred in the filing of
18 this document.

19
20 Dated: July 30, 2014

/s/ W. Paul Schuck
W. Paul Schuck

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